



Directorate of  
Intelligence

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# Near East and South Asia Review

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Article

Iran: Financing Lebanon's Hizballah

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**Tehran's Expected Return**  
Tehran's objective in Lebanon is to unite the various Shia groups into a force that will be capable of establishing an Islamic republic. Iran's financial and military support give it significant leverage to guide Hizballah's activities. Although Tehran enjoys considerable influence over Hizballah's decisionmaking, we do not believe it controls the movement.

**Costs and Results**  
For a very small portion of Iranian Government resources, Iran has helped establish Hizballah as a major player in Lebanon. Even if Iran gives Hizballah as much as \$100 million this year, this would represent only 0.33 percent of Iran's 1987 budget. Past funding has helped Hizballah's influence in Lebanon grow to the point where other Shia factions, as well as Damascus, feel increasingly intimidated by the movement.

**How Much Money?**

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**How Funds Are Transferred and Spent**

Iran uses a

variety of channels to fund Hizballah.

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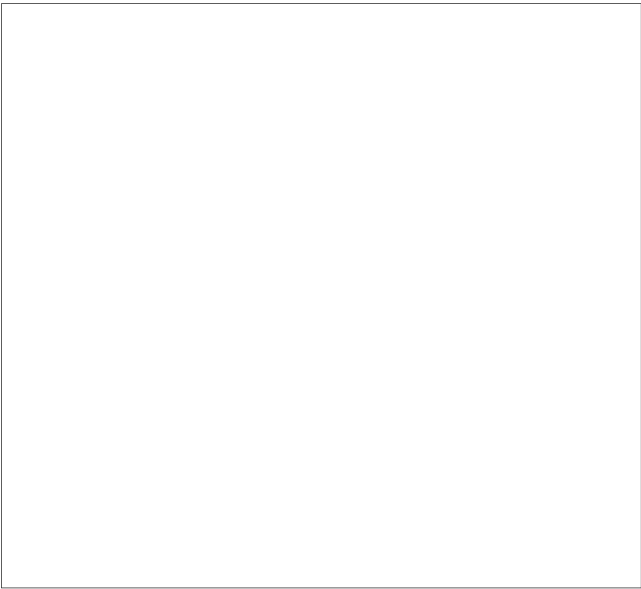
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**How Hizballah Uses the Money**

Iranian money probably goes to recruit, train, arm, and pay Hizballah members.



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**Outlook**

We see no reason to expect that Iran's financial support to Hizballah will decline. Aid could increase if Tehran believes its influence in Lebanon is seriously threatened by Syrian troops or by other factions in opposition to Iranian goals. Given the importance of Hizballah to Iran's national security objectives, we do not expect Iran's economic problems to significantly affect its aid to Hizballah.



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